

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0019P**

IT-20 Penalty

For Fiscal Year Ended June 30, 1997

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**ISSUE(S)**

I. **Tax Administration**—Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer filed its fiscal year tax return with payment on October 15, 1998, more than a year late.

Taxpayer protests the penalty and states it did not attempt to avoid, evade, defeat, or delay the paying of tax. On June 30, 1997, taxpayer was involved in a merger that resulted in its dissolution and the formation of new companies. The merger affected an LLC that made up most of the taxpayer's tax return. Because of the merger, the tax treatment of the taxpayer and the LLC was unclear and the tax liability was not known until the completion of the Federal 1120 in September 1998. An outside accounting firm had prepared the taxpayer's returns prior to the merger and since 1998 the new companies were responsible for the tax liabilities.

I. **Tax Administration**—Penalty

**DISCUSSION**

Taxpayer states it did not attempt to avoid, evade, defeat, or delay the paying of tax and requests a waiver of the late payment penalty.

Taxpayer was assessed a late payment penalty because it failed to make payment by the due date of the

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tax return. IC 6-8.1-10-2(a) clearly states that a penalty is assessed for the failure to pay the full amount of tax shown on a return on or before the due date for the return. The return was due on October 15, 1997. Taxpayer made no payment until October 15, 1998.

The department finds that a negligence penalty is proper.

**FINDING**

Taxpayer's protest is denied.

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